

Application Information and Instructions

Administered by the State Water Resources Control Board (State Water Board), Division of Financial Assistance (Division), the Financial Assistance Application is designed to help determine your eligibility for funding through the

Drinking Water State Revolving Fund (DWSRF)

Instructions for each package are provided below.

An overview of the financing process and the *Drinking Water State Revolving Fund Policy* can be found on the Division's web site at http://www.swrcb.ca.gov/water_issues/programs/grants_loans/

To streamline the review process, the application is divided into four packages:

- **General Information**
- **Technical**
- **Environmental**
- **Financial Security**

Submitting Your Application

You can help the review process by ensuring your application contains accurate and complete information. To avoid delays in the processing of your application, we recommend:

- ✓ Contact the Division as early as possible to coordinate your application with your project's schedule; contact information is provided on the next page.
(NOTE: No action is necessary on your part to be added to the Project List; the Division will make arrangements for your project to be added to the [Comprehensive List](#))
- ✓ Applicants are encouraged to contact their respective District Office to request assistance in completing the necessary forms. In many cases it will be helpful to have an initial meeting with District Office staff to discuss the proposed project, timing, project eligibility, environmental review procedures, federal cross-cutters, or any other aspects of the project.
- ✓ Submit complete packages whenever possible.
(NOTE: Projects are funded based on a complete application. Partial packages may be submitted, but complete packages will be reviewed before incomplete packages, and complete applications will be reviewed and approved for financing first.)
- ✓ Have your legal counsel review the FAQs at http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/forms/legal_faq.pdf regarding the legal opinion we will need from you to approve financing. If your legal counsel anticipates any issues with providing this legal opinion, we can arrange a discussion with our legal counsel. The Division of Financial Assistance's legal counsel will contact your legal counsel approximately eight weeks prior to execution of the financing agreement to finalize the legal opinion needed for the application.
- ✓ Clearly type or print all information.
- ✓ Sign and date the application where indicated.
- ✓ Include all required attachments.

Submit 1 copy of the application and the plans and specifications to the District office and 1 copy of the application and the plans and specifications in one of the following ways :

- 1) Send the application and attachments via email to dwpfunds@waterboards.ca.gov; or
- 2) Mail a CD and/or hard copy to:

**State Water Resources Control Board
Division of Financial Assistance
ATTN: Marketing Unit – DWSRF Project
1001 I Street, 17th Floor, Sacramento, CA 95814
P.O. Box 944212
Sacramento, CA 94244-2120**

CONTACT INFORMATION

If you have general questions regarding the program, contact the DWSRF at
(916) 449-5600

or

dwpfunds@waterboards.ca.gov

General Information Package

Section I - Type of Assistance Requested

Amount of Assistance Requested – Enter the amount of assistance requested.

Section II - Applicant Information

Applicant Name – Enter the entity that will be the legal signatory to a financing agreement.

Street Address, City, State, Zip – Enter the applicant's physical street address.

Charter City/County – Indicate if the applicant is a charter city/county.

Mailing Address, City, State, Zip – Enter the applicant's mailing address, if different from the street address.

Congressional District(s) – Enter the Congressional district(s) where the project will be physically located. If the project will span multiple Congressional Districts (i.e., a pipeline project), list all affected districts. A map of California Congressional Districts can be found at <http://house.gov/representatives/find/>.

State Senate District(s) – Enter the State Senate district(s) where the project will be physically located. Refer to <http://findyourrep.legislature.ca.gov/>.

State Assembly District(s) – Enter the State Assembly district(s) where the project will be physically located. Refer to <http://findyourrep.legislature.ca.gov/>.

County – Enter the County where the project will be physically located.

Federal Tax ID No. – Enter the Federal tax identification number of the applicant.

Data Universal Numbering System (DUNS) No. - If you don't already have a DUNS number, you can get more information at http://www.whitehouse.gov/sites/default/files/omb/grants/duns_num_guide.pdf. This number is required to receive DWSRF financing.

Authorized Representative Name, Title - Identify the person who has the authority to represent the water system and sign documents pertaining to the funding application. If the water system is owned by a public agency or has a governing board, the application must include a copy of a resolution adopted by the governing body designating its authorized representative and authorizing the submission of a loan application. It is advisable to designate the title of the person authorized to sign rather than a specific person. The funding application must be signed by the authorized representative.

Auth. Rep. Phone - Enter the authorized representative's telephone number.

Auth. Rep. Email – Enter the authorized representative's email address.

Contact Person Name – Enter the name of the person who is the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

Contact Person Phone – Enter the contact person's telephone number.

Contact Person Email – Enter the contact person's email address.

Project Engineer Name – Enter the name of the project engineer and their license number. DWSRF staff anticipates that a qualified engineer will prepare the Applicant Engineering Report required as part of the Technical Package.

There are many categories of engineering specialties. However, the engineer you select must be a professional engineer (PE) licensed by the state of California as a civil engineer, who has experience in design of public water systems or drinking water treatment facilities. It is not legal for engineers to undertake assignments they are not qualified to do.

Project Engineer Phone – Enter project engineer's telephone number.

Project Engineer Email – Enter the project engineer's email address.

Local Counsel Name – Enter the name of the applicant's local counsel.

Local Counsel Phone – Enter the local counsel's telephone number.

Local Counsel Email – Enter the local counsel's email address.

Section III - Project Information and Proposed Schedules

Project Description – Provide a brief description of the project.

Project Title – Enter the title or name of the project.

Water System No: – Provide the water system permit number, if applicable you may attach any amendments to the General Package.

Current Year Estimated Population Served – Enter the estimated population of the proposed project service area.

Estimated Project Schedule – Provide an estimated or actual date for the following:

- Complete Facilities Planning Documents
- Complete Project Plans and Specifications
- Advertise Bids
- Issue Notice to Proceed
- Complete Construction

Consultation with Other Agencies – Provide the following:

- Name of other Federal and State agencies involved in this project (e.g. planning, CEQA/NEPA consultation, funding, etc.)
- Contact information for the named agencies
- Estimated dates for resolution of any issues

Partnering Agencies – Provide the name and contact information of all other agencies that have an interest in the project.

Section IV – Estimated Project Capital Costs and Funding Summary

Provide the dollar amount requested for each cost classification listed in this section.

NOTE: Soft costs may be provided for planning, design, value engineering, construction management, and administration costs.

Section V – Managerial Information

1. Classification of Water System

Please check the box that represents your type of system. If you are unsure of the classification of your system, refer to the system's domestic water supply permit.

2. Ownership of the Water System

Check the box that corresponds to the ownership of your water system. Non-community water systems are only eligible for DWSRF funding if they qualify as a non-profit entity. Non-profit owners of non-community water systems must include the appropriate IRS non-profit ID number and Tax Exempt Status form IRS 501(c). Privately owned systems must include a copy of the fictitious name statement. Corporations must provide a copy of their Articles of Incorporation.

The following is a list of ownership documentation for the different types of for-profit or non-profit private water systems, Please submit copies of all of the ownership documentation that corresponds to the water system's ownership type.

| Limited Liability Corporation | Partnership |
|--|--|
| IRS K-1 Corporation Documentation. Articles of Organization Bylaws/Executed Operating Agreement(s) | Partnership Agreement(s) IRS K-1 Corporation Documentation (if applicable). Majority owner's last three years of personal tax returns. |
| For-Profit Corporation | Non-Profit Corporation |
| Articles of Incorporation Bylaws/Executed Operating Agreement(s) Filing documents for Fictitious Business Name (DBA) | Articles of Incorporation Bylaws/Executed Operating Agreements IRS Tax Exempt Determination IRS 501 C Filing documents for Fictitious Business Name (DBA) |
| Sole Proprietorship | Other |
| Fictitious Name Certificate Schedule "E" or "C" of tax returns | Grant deeds, quitclaim deeds, etc. on land |

If your water system is a Corporation, Limited Liability Company, Limited Partnership or Incorporated Mutual, then please list your water system's California Secretary of State Entity Number as well as your water system's filing status with the California Secretary of State. Information relating to a Corporation's, Limited Liability's, Limited Partnership's or Incorporated Mutual's filing with the Secretary of State can be found at the following website:

<http://kepler.sos.ca.gov/>

3. Water System Regulated by the California Public Utility Commission (CPUC)

Indicate whether your water system is regulated by the CPUC. A list of all matters relating to your water system that are currently pending before the CPUC must be provided with your application for SDWSRF funding. Water systems regulated by the CPUC must obtain CPUC approval to enter into a funding agreement for a DWSRF loan.

4. Key Officers

Provide the name, title, and duties of key officers of the water system. If there are more than three individuals, submit an organization chart showing the names, titles, and the reporting relationship of all key persons involved with the operation of the water system. The organization chart does not need to describe all personnel employed by the system, only those persons that have primary responsibilities for making decisions that affect the operation of the water system. cation and Signature of Authorized Representative

CERTIFICATION AND SIGNATURE OF AUTHORIZED REPRESENTATIVE

The authorized representative is the person who has the authority to sign and submit the application materials, certify compliance with applicable state and federal laws, execute the financial assistance agreement and amendments, and certify disbursement requests.

- ✓ Print the name and title of the authorized representative.
- ✓ Sign and date the application.

Technical Package

Applicant (Entity) Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

Contact Person and Phone – Enter the name and phone number of the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

Section I – Technical Information

1. Population

Estimate the population served on an average daily basis by the water system. In addition to the population served by the entire water system, please include the population specifically benefitting from this project. If estimating a population served, the estimation shall be determined using one of the following methods:

- i. Utilize the most recent U.S. census data, or most recent special census data certified by the California Department of Finance, for the service area served by the water system;
 1. For community water systems, the estimation should consider the permanent population of the community.
 2. Seasonal community systems should use the average population served by the system during the peak period in which the system is in operation.
 3. Non-community water systems should use the average daily population served during the periods that the system is in operation.
 4. Wholesalers or entities that deliver water to another water system should contact their respective CDPH District Office to help calculate the appropriate number of population served.
- ii. Multiply the number of service connections served by the water system by 3.3 to determine the total population served;
- iii. Determine the total number of dwelling units or efficiency dwelling units as defined in the Uniform Building Code (Title 24, California Code of Regulations), the number of mobile home park spaces and the number of individual business, commercial, industrial and institutional billing units served by the water system and multiply this total by 2.8 to arrive at the total population served by the water system.

2. Connections

Provide the total number of active service connections that are currently and directly served by the water system. This includes all domestic, residential, industrial, commercial, and other connections. In addition to the connections served by the entire water system, please include the number of active service connections specifically benefitting from this project.

- Wholesalers, or entities that deliver water to another water system, should contact the CDPH District Office for help determine the appropriate number of service connections.
- Non-community water systems do not need to fill out this section and should indicate “not applicable” on the form.

3. Engineering Report

The Engineering Report must follow address the elements provided in the outline in **Attachment T1**.

4. General Compliance Certification and Water Metering Certification

The DWSRF Policy requires all funded projects to be consistent with the applicant’s adopted General Plan or to serve an area in which at least 75% of the cities and counties have adopted land use and housing elements. Applicants must complete the General Plan Compliance Certification (**Attachment T2**) confirming these conditions.

5. Water System Permit

Provide a copy of the water system permit, and any amendments (**Attachment T3**).

6. Technical, Managerial, and Financial (TMF) Assessment

Federal law states that DWSRF can only fund water systems that demonstrate that they have adequate TMF capacity to operate a public water system satisfactorily. The mandatory TMF elements listed on the TMF Assessment Form must be submitted (**Attachment T4**). The necessary TMF elements not previously addressed will be listed as permit conditions. If you need assistance in completing the TMF Assessment Form, please contact your District Office.

The DWSRF Program can provide technical assistance to small water systems serving populations less than 10,000 as well as any disadvantaged community in developing the TMF documents. Upon receiving such a request, engineers from the District Office or a third party contractor hired by State Water Board will visit the water system and provide “hands-on” technical assistance in developing the necessary documents at no cost to the applicant.

Section II – Water Rights, Water Conservation and Urban Water Management

1. Describe the nature of the water rights applicable to water source. If you have questions regarding whether a petition is required you may contact Kathy Mrowka with the Division of Water Rights at (916) 341-5363 or kmrowka@waterboards.ca.gov.

Prior to the State Water Board's approval of the project, specific water conservation and urban water management requirements must be achieved.

Check (✓) the box(es) that apply to your project.

Water Conservation

Urban Water Suppliers (an urban water supplier to more than 3,000 customers or supplying more than 3,000 acre-feet annually) must fulfill one of the following:

- Approved Water Conservation Program on file with the State Water Board
- Developed Water Conservation Program for approval by the State Water Board (submit copy labeled as Attachment **T6**)
- Signed the "Memorandum of Understanding Regarding Urban Water Conservation in California" (submit proof labeled as Attachment **T7**)
- Submitted an Urban Water Management Plan (UWMP) to the Department of Water Resources (DWR) per Water Code Section 10653 (submit proof labeled as Attachment **T8**)

Urban Water Management

1. Check (✓) the box indicating if you are an urban water supplier as defined in water Code Section 10631.5.
2. Provide a self-certification that you are in compliance with the water meter requirements of Water Code Section 529.5 (Attachment **T2**).

Section IV – Summary of Attachments

- ✓ T1 – **Engineering Report**
- ✓ T2 – **Certification for Compliance with Water Metering Form**
- ✓ T3 – **Water Permit**
- ✓ T4 – **TMF Assessment Form**
- ✓ T5 – **Water Rights Letter** (if applicable)
- ✓ T6 – **Water Conservation Program** (if applicable)
- ✓ T7 – **Memorandum of Understanding** (if applicable)
- ✓ T8 – **Urban Water Management Plan** (if applicable)
- ✓ T9 – **Waiver Request Letter** (if applicable)
- ✓ T10 – **Certification for Non-Water Suppliers** (if applicable)
- ✓ T11 – **Compliance with Water Demand Management Measures** (if applicable)
- ✓ T12 – **Plans and Specifications**

Environmental Package

Detailed information, including statutes and guidelines on the California Environmental Quality Act (CEQA), can be obtained at <http://ceres.ca.gov/ceqa>. A CEQA Process Flowchart that shows interaction points between lead and responsible agencies can be found at http://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/environmental_review/ceqa_process_flow_chart.pdf.

Applicant (Entity) Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

Contact Person and Phone – Enter the name and phone number of the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

I. CEQA Status

Place a check (✓) in the box that describes the status of the CEQA process for the project.

❖ **Not yet started**

❖ **Underway**

A draft copy of the CEQA document should be provided to the Division for review and comment. Also provide the Division with copies of any substantiating federal cross-cutter information (i.e. USFWS species list/biological assessment, cultural resources report, air quality analysis data, flood map, etc.). This will enable the Division to better understand the project's environmental impacts, and provide more meaningful comments on the draft CEQA document before it is sent to the State Clearinghouse.

❖ **Complete**

Proceed to Question 2 below (CEQA Documents).

❖ **Complete, but more than 5 years prior to anticipated State Water Board agreement execution date**

Must provide an updated CEQA document (subsequent, supplemental or addendum) that evaluates the current environmental status of the project.

Proceed to Question 2 below (CEQA Documents).

II. CEQA Documents – Complete this section ONLY if the CEQA process is complete.

Place a check (✓) in the box(es) that describe(s) the project and submit the required attachments for each section applicable to the project.

Example: If the project is covered under a CEQA Categorical or Statutory Exemption (Section A) and a Negative Declaration (Section B), submit the following attachments:

- ✓ *Evaluation Form for Environmental Review and Federal Coordination*
- ✓ *Draft and Final Initial Study/Negative Declaration (IS/ND)*

- ✓ *Comments and Responses*
- ✓ *Resolution Approving the CEQA Documents*
- ✓ *Notice of Exemption filed with the county clerk and the State Clearinghouse*
- ✓ *Notice of Determination filed with the county clerk and the State Clearinghouse*

Please submit two copies of all applicable CEQA documents.

Attachments

- ✓ **E1 – Evaluation Form for Environmental Review and Federal Coordination:** Federal cross-cutting requirements will apply to all PWS projects that serve 1,000 service connections or more and to all construction projects with a DWSRF requested amount of \$1,250,000 or greater. This enables the DWSRF Program to comply with the cross-cutting federal environmental regulations.
- ✓ **E2 – Initial Study/Negative Declaration (IS/ND):** Provide both draft and final copies.
- ✓ **E3 – Initial Study/Mitigated Negative Declaration (IS/MND):** Provide both draft and final copies.
- ✓ **E4 – Environmental Impact Report (EIR):** Provide both draft and final copies.
- ✓ **E5 – Comments and Responses:** Provide all comments and responses.
- ✓ **E6 – Statement of Overriding Consideration (SOC):** If the project has a significant unavoidable impact, the applicant must adopt an SOC.
- ✓ **E7 – Mitigation and Monitoring Program/Plan (MMRP):** Applicant must adopt an MMRP for all projects with an IS/MND and EIR CEQA documents.
- ✓ **E8 – CEQA Documents Approval:** All CEQA documents (including Addendum, Supplemental and Subsequent) must be adopted/certified by the governing body of the applicant agency seeking funds from the DWSRF Program. If the applicant is not the lead CEQA agency, then the applicant must adopt/certify the relevant CEQA documents to be able to receive funds from DWSRF Program.
- ✓ **E9 – Notice of Exemption:** A copy must be filed and date stamped by the local County Clerk and the Governor's Office of Planning and Research.
- ✓ **E10 – Notice of Determination:** A copy must be filed and date stamped by the local County Clerk and the Governor's Office of Planning and Research.

E1 – Evaluation Form for Environmental Review and Federal Coordination

Pursuant to the 2014-2015 IUP, federal cross-cutting requirements will apply to all PWS projects that serve 1,000 service connections or more and to all construction projects with a DWSRF requested amount of \$1,250,000 or greater. In limited instances, the DWSRF environmental staff will utilize banked cross-cutters for projects that exceed the aforementioned thresholds with

preference given to “disadvantaged” PWS and those projects necessary for DWSRF staff to satisfy its obligational deadlines. The Environmental Review Unit may recommend the use of banked cross-cutters based on the evaluation of projects’ environmental documents. Additional guidance can be found by contacting the Environmental Review Unit.

Applicant Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

1. Clean Air Act

Air Basin Name - Identify the air basin name.

Local Air District for Project Area – Enter the name of the local air district for the project area.

For DWSRF financed projects, we recommend including a general conformity section in the CEQA documents so that another public review process will not be needed, should a conformity determination be required. The applicant should check with its local air quality management district and review the California Air Resources Board’s air emissions map for information on the State Implementation Plan. The applicant should also check the United States Environmental Protection Agency, Green Book, for Currently Designated Nonattainment Areas for All Critical Pollutants. For information on the analysis steps involved in evaluating air quality conformity, please contact the State Water Board environmental staff through the assigned Project Manager.

Indicate if the project is subject to a State Implementation Plan (SIP) conformity determination, and complete the chart with estimated project construction and operational air emissions data, with respect to the federal *de minimis* levels (in tons per year). Also submit supporting calculations and any air quality maintenance plans or additional supporting documents you utilize to compile the data.

2. Coastal Barriers Resources Act

The Coastal Barriers Resources Act is intended to discourage development in the Coastal Barrier Resources System and adjacent wetlands, marshes, estuaries, inlets, and near-shore waters. Since there is no designated Coastal Barrier Resources System in California, no impacts from California projects are expected. However, should the applicant believe there may be impacts to the Coastal Barrier Resources System due to special circumstances, please use the following information as a guide.

During the planning process, the applicant should consult with the appropriate Coastal Zone management agency (e.g., City or County with an approved Local Coastal Program, the California Coastal Commission, or the San Francisco Bay Conservation and Development Commission) to determine if the project will have an effect on the Coastal Barrier Resources System. If the project will have an effect on the Coastal Barrier Resources System, the State Water Board must consult with the appropriate Coastal Zone management agency and the USFWS. Any recommendations from the Coastal Zone management agency and USFWS will be incorporated into the project’s design prior to approval of DWSRF financing.

For more information and to ensure that no modifications to Coastal Barrier Resources System have occurred, please visit: <http://www.fws.gov/CBRA/>.

Indicate if the project will affect or be located within or near the Coastal Barrier Resources System or its adjacent wetlands, marshes, estuaries, inlets, and near-shore waters, and describe the project location with respect to the Coastal Barrier Resources System and provide the status of any consultation with the appropriate Coastal Zone management agency and the United States Fish and Wildlife Service.

3. Coastal Zone Management Act

Projects proposing construction in the Coastal Zone will require consultation with either the California Coastal Commission (or the designated local agency with a Local Coastal Program), or the San Francisco Bay Conservation and Development Commission (for projects located in the San Francisco Bay area). The applicant must submit a copy of the approved Coastal Development permit to the State Water Board to satisfy this requirement.

For more information on Coastal Zone Management Act requirements refer to the following agencies' websites:

- United States Coastal Zone Boundaries through the NMFS website at <http://coastalmanagement.noaa.gov/mystate/docs/StateCZBoundaries.pdf>
- California Coastal Commission website at <http://www.coastal.ca.gov/ccatc.html>; and/or
- San Francisco Bay Conservation and Development Commission website at <http://www.bcdc.ca.gov/>.

Indicate if any portion of the project site is located within the coastal zone, and describe the project location with respect to coastal areas and the status of the coastal zone permit, and provide a copy of the coastal zone permit or coastal exemption.

4. Endangered Species Act (ESA)

The United States Department of the Interior, Fish and Wildlife Service (USFWS) and the United States Department of Commerce National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS) must be consulted for any project that will have the potential to adversely impact a federal special-status species. The USEPA delegated the State Water Board to act as the non-federal lead for initiating informal Section 7 ESA consultation with the USFWS. The State Water Board will coordinate with the USEPA for projects requiring formal Section 7 ESA consultation with the USFWS and projects that will impact federal special-status fish species under the NMFS jurisdiction. The USFWS and NMFS must provide written concurrence prior to a DWSRF financing agreement. USFWS and NMFS comments may include conservation measures, for which the applicant's DWSRF financing agreement will be conditioned to ensure compliance.

For further information on the federal ESA go to <http://www.fws.gov/angered/laws-policies/index.html> and <http://www.nmfs.noaa.gov/pr/laws/esa/>. Note that compliance with both the state and federal ESAs is required of projects having the potential to impact state and federal special-status species. Although overlap exists between the state and federal ESAs, there might be additional or more restrictive state requirements. For further information on the

California ESA, refer to the California Department of Fish and Wildlife website at <http://www.dfg.ca.gov/habcon/cesa/>.

Indicate if the project involves any direct effects from construction activities or indirect effects that may affect federal and state listed threatened or endangered species that are known, or have a potential, to occur on-site, in the surrounding area or in the service area, and provide the additional information and requested documents, i.e. species list and biological assessment completed within the last year.

5. Environmental Justice

Identify and address any disproportionately high and adverse human health or environmental effects of the project's activities on minority and low-income populations. USEPA has defined environmental justice as "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies."

Fair Treatment means that no group of people should bear a disproportionate burden of environmental harms and risks, including those resulting from the negative consequences of industrial, governmental, and commercial operations or programs and policies.

Meaningful Involvement means that: 1) potentially affected community members have an appropriate opportunity to participate in decisions about a proposed activity that will affect their environment and/or health; 2) the public's contribution can influence the agency's decision; 3) the concerns of all participants involved will be considered in the decision-making process; and 4) the decision-makers seek out and facilitate the involvement of those potentially affected.

The term "environmental justice concern" is used to indicate the actual or potential lack of fair treatment or meaningful involvement of minority, low-income, or indigenous populations, or tribes in the development, implementation, and enforcement of environmental laws, regulations, and policies.

Indicate if the project involves an activity that is likely to be of particular interest to or have a particular impact upon minority, low-income, or indigenous populations or tribes, as identified by the Lead Agency.

Your project may involve an "environmental justice concern" if the project could:

- a) Create new disproportionate impacts on minority, low-income, or indigenous populations;
- b) Exacerbate existing disproportionate impacts on minority, low-income, or indigenous populations; or
- c) Present opportunities to address existing disproportionate impacts on minority, low-income, or indigenous populations that are addressable through the project.

No - Provide an explanation.

Yes - Place a check (✓) in the box(es) that describe the impact of the project and provide a brief explanation for your answer(s).

6. Farmland Protection Policy Act

Projects involving impacts to farmland designated as prime and unique, local and statewide importance, or under a Williamson Act Contract, will require consultation with the United States Department of Agriculture, Natural Resources Conservation Service and/or California Department of Conservation. For more information on the Farmland Protection Policy Act go to <http://www.nrcs.usda.gov/programs/fppa>, and regarding the Williamson Act Contract go to <http://www.consrv.ca.gov/dlrp/lca>.

Indicate if any portion of the project is located on important farmland, and provide information on the acreage that would be converted from important farmland to other uses. Also indicate if any portion of the project boundaries is under a Williamson Act Contract and specify the amount of coverage affected. If the project area will be within a portion of protected farmland under the Williamson Act, please be sure to complete the consultations with appropriate federal, state and local agencies and provide necessary documents to the State Water Board.

7. Flood Plain Management – Executive Order 11988

Each agency shall take action to reduce the risk of flood loss, to minimize the impact of floods on human safety, health and welfare, and to restore and preserve the natural and beneficial values served by floodplains in carrying out its responsibilities. Before taking an action, each agency shall determine whether the proposed action will occur in a designated floodplain. The generally established standard for risk is the flooding level that is expected to occur every 100 years. If an agency determines or proposes to conduct, support, or allow an action to be located in a floodplain, the agency shall consider alternatives to avoid adverse effects and incompatible development in the floodplains.

For further information regarding Floodplain Management requirements, please consult the United States Department of Homeland Security, Federal Emergency Management Agency website at <http://www.fema.gov>, as well as the USEPA floodplain management Executive Order 11988 at <http://www.epa.gov/owow/wetlands/regs/eo11988.html>.

Indicate if any portion of the project located within a 100-year floodplain as depicted on a floodplain map or otherwise designated by the Federal Emergency Management Agency, and provide the additional information and requested documentation.

8. National Historic Preservation Act (NHPA)

Section 106 of the National Historic Preservation Act requires Federal agencies to take into account the effects of their undertakings on historic properties. The Section 106 process seeks to accommodate historic preservation concerns with the needs of Federal undertakings through consultation among the agency official and other parties with an interest in the effects of the undertaking on historic properties, commencing at the early stages of project planning. Historic properties are properties that are included in the National Register of Historic Places or that meet the criteria for the National Register. Historic properties include buildings, structures, objects, and archaeological sites that are 50 years old or older. The Section 106 reports must be prepared by a qualified researcher that meets the Secretary of the Interior's Professional Qualifications Standards (http://www.nps.gov/history/local-law/arch_stnds_9.htm).

In addition, CEQA requires state, local, and other agencies subject to the jurisdiction of California to evaluate the environmental effects of the agency actions, including impacts to cultural and historic resources. CEQA law states that “a project that may cause a substantial adverse change in the significance of a historical resource is a project that may have a significant effect on the environment” (21084.1).

The Governor’s November 2005 Tribal Consultation Guidelines (http://opr.ca.gov/docs/09_14_05_Updated_Guidelines_922.pdf) states that [applicants] must conduct a record search through the appropriate regional California Historical Resources Information System (CHRIS) (http://ohp.parks.ca.gov/pages/1068/files/ic_roster.pdf) center to determine whether any listed cultural places are present in the project area, and contact the Native American tribes affiliated with a project area from a list available from the Native American Heritage Commission (NAHC) (<http://www.nahc.ca.gov/>).

The NAHC can be contacted at:

Address: 1550 Harbor Blvd., Suite 100
West Sacramento, CA 95691
Telephone: (916) 373-3710
Email: nahc@nahc.ca.gov

Identify the area of potential effects (APE), including construction areas, staging areas, and depth of any excavation. Attach a copy of the Cultural Resources Report prepared by a qualified professional, a Section 106 SHPO consultation letter, and a current records search (less than one year old, extending to a half-mile beyond the project APE). Provide maps showing all cultural resources sites and surveys drawn in relation to the project area, and records of Native American consultation from a list provided by the Native American Heritage Commission (NAHC).

9. Magnuson-Stevens Fishery Conservation and Management Act

The Magnuson-Stevens Fishery Conservation and Management Act, as amended, is designed to manage and conserve national fishery resources. Essential Fish Habitat (EFH) consultations are only required for actions that may adversely affect EFH. The applicant needs to determine whether the proposed project may adversely affect EFH. NMFS is responsible for publishing maps and other information on the locations of designated EFH, and can provide information on ways to promote conservation of EFHs to facilitate this assessment. If a project may adversely affect a designated EFH, the applicant must complete an EFH consultation.

The State Water Board will coordinate with the USEPA to request an EFH consultation from the NMFS. NMFS is required to respond informally or in writing. NMFS comments may include conservation measures, for which the applicant’s DWSRF financing agreement will be conditioned to ensure compliance. For more information, see the brochure at http://www.nmfs.noaa.gov/sfa/reg_svcs/Council%20stuff/council%20orientation/2007/2007TrainingCD/TabT-EFH/EFH_CH_Handout_Final_3107.pdf.

Indicate if the project involves any direct effects from construction activities or indirect effects that may adversely affect EFH, and provide the additional information and requested documents.

10. Migratory Bird Treaty Act (MBTA)

The MBTA restricts the killing, taking, collecting and selling or purchasing of native bird species or their parts, nests, or eggs. The MBTA, along with subsequent amendments to this act, provides legal protection for almost all breeding bird species occurring in the United States and must be addressed under CEQA. In the CEQA document, each agency must make a finding that a project will comply with the MBTA. For further information, please consult the Migratory Bird Program through the USFWS website at <http://www.fws.gov/laws/lawsdigest/migtrea.html>.

Indicate if the project will affect protected migratory birds that are known, or have a potential, to occur on-site, in the surrounding area, or in the service area, and provide a list of all protected migratory bird species that have the potential to occur in the project area, including their migration schedules and past sightings within the project area.

11. Protection of Wetlands

Projects, regardless of funding, must get approval for any temporary or permanent disturbance to federal and state waters, wetlands, and vernal pools. The 404 permitting process through the United States Army Corps of Engineers (USACE) can be lengthy, and may ultimately require project alterations to avoid wetlands and waters of the United States. Applicants must consult with the USACE early in the planning process if any portion of the project site contains wetlands, or other federal waters. The USACE Wetland Delineation Manual is available at <http://www.wetlands.com/regs/tlpge02e.htm>. California Department of Fish and Wildlife (CDFW) determines whether or not an activity may adversely affect fish and wildlife resources, and a Fish and Game code 1600 Streambed Alteration Agreement may need to be prepared. For more information on Fish and Game codes please go to <http://www.dfg.ca.gov/habcon/1600/>. Also note that the State and Regional Water Boards are involved in providing approvals through the Clean Water Act Section 401 Water Quality Certification Program and/or Waste Discharge Requirements. For more information, please go to http://www.waterboards.ca.gov/water_issues/programs/cwa401/index.shtml.

Indicate if any portion of the project boundaries contain areas that should be evaluated for wetland delineation or require a permit from the United States Army Corps of Engineers, State and Regional Water Boards, and/or California Department of Fish and Game.

12. Safe Drinking Water Act, Sole Source Aquifer Protection

Projects must comply with the Safe Drinking Water Act and document whether or not a project has the potential to contaminate a sole source aquifer. For projects impacting a listed sole source aquifer, the applicant must identify an alternative project location, or develop adequate mitigating measures in consultation with the USEPA. For more information, please go to the Sole Source Aquifer Program website at <http://epa.gov/region09/water/groundwater/ssa.html>.

Indicate if the project is located in an area designated by the USEPA, Region 9, as a Sole Source Aquifer, and identify the sole source aquifer (e.g., Santa Margarita Aquifer, Scott's Valley, the Fresno County Aquifer, the Campo/Cottonwood Creek Aquifer or the Ocotillo-Coyote Wells Aquifer) that will be affected. The Lead Agency shall be held responsible for providing an alternate project location and/or appropriate mitigation measures, if a sole source aquifer were to be significantly impacted by a project.

13. Wild and Scenic Rivers Act

There are construction restrictions or prohibitions for projects near or in a designated “wild and scenic river.” A listing of designated “wild and scenic rivers” can be obtained at <http://www.rivers.gov/california.php>. Watershed information can be obtained through the “Watershed Browser” at http://cwp.resources.ca.gov/map_tools.php.

Indicate if a portion of the project is located within a wild and scenic river. If the project is located within a wild and scenic river watershed, please provide a map identifying the watershed where the project is located.

FINANCIAL SECURITY PACKAGE

Applicant (Entity) Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

Contact Person and Phone – Enter the name and phone number of the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

1. Financing Amount Requested

Estimate the project costs to be funded with State Water Board DWSRF funds. This amount should match the Amount of Assistance Requested in Section 1 of the General Information Package.

2. Term Requested

Indicate the financing term you are requesting: 20-year or 30-year.

3. Other Project Funding Sources

Describe how the total project will be financed.

- ✓ Enter the name(s) and type(s) of all funding sources.
- ✓ Enter the amount of funds you expect to receive from each source.
- ✓ Check the appropriate box to indicate whether the other sources of financing have been applied for, approved by the funding agency, or received by the applicant.

Example: DWSRF financing \$1,000,000
USDA grant \$ 500,000
Applicant Agency portion \$ 250,000

4. Current Year Median Household Income

Enter the estimated Median Household Income (MHI) for the proposed project service area, using the most recent income survey. If an income survey is not available, MHI estimates may be found at the Census Bureau website at

<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml#none>. Enter “Median Household Income in the Past 12 Months” and the municipality name into the Quick Search box. If you cannot locate data for your community, you may contact the Division at cleanwatersrf@waterboards.ca.gov for additional assistance.

4a and 4b. Current Year Estimated Population Served

- a. Enter the estimated population of the proposed project service area.
- b. Place a check (✓) in the box if less than 50% of residences are permanently occupied.

5. Average current monthly residential water bill

Determine the average current monthly residential water bill. Do not include industrial and commercial users. If the water system uses a tiered water rate, the charge should reflect what a typical residential user pays. The bill should reflect direct water charges plus any other fees or charges that support the water service such as parcel fees, standby charges, water taxes, and surcharges. Applicants must include the methodology and calculation used for determining the average residential rate.

6. Average monthly residential water bill for the prior three years

Determine the average current monthly residential water bill for the prior three years. Do not include industrial and commercial users. If the water system uses a “tiered” water rate, the charge should reflect what a typical residential user paid. The average water bill should reflect direct water charges plus any other charges that support the water service such as parcel fees, standby charges, water taxes, and surcharges. Applicants must include the methodology and calculation used for determining the average residential bill. Applicants must also give an explanation for any changes in the average water bill for the prior three years.

Attach the water rate structure covering the past three years for all consumers including commercial and industrial users (**Attachment F1**).

7. Average Projected increase to the monthly residential water bill as a result of funding request

Calculate the projected increase to the monthly residential water bill as a result of the amount of funding requested. Estimate the portion of the eligible project cost that will be passed on to the consumers (this should be consistent with the Engineering Report). In calculating this projected cost, all related costs of the eligible project (do not include any ineligible project costs), including operation and maintenance costs, should be included. Construction loans have a 20-year loan term. For example, during the calendar year 2014, the interest rate for conventional DWSRF loan offers is 2.085 percent; however, the interest rate will change January 1, 2015. Funding commitments made after December 31, 2014 will be issued with the new rate established for the calendar year 2015. Disadvantaged and severely disadvantaged communities may assume a zero percent interest rate on any DWSRF loan. Non-disadvantaged communities assume the conventional DWSRF rate. If you are not certain whether your community qualifies as “disadvantaged” or “severely disadvantaged” then use the higher rate. Do not include anticipated increases in the water bill that are not related to the eligible portion of the DWSRF project (this will be included in the next item.) No DWSRF grant funding should be assumed; however, grant funds from other agencies can be included in the calculation.

NOTE: The DWSRF Policy defines “disadvantaged” as a community whose Median Household Income (MHI) is equal or less than 80% of the statewide MHI, and “severely disadvantaged” as a community whose MHI is equal or less than 60% of the statewide MHI. For example, an entity qualifies as a disadvantaged community if the MHI of the service area is equal or less than \$46,979 and severely disadvantaged community if the MHI of the service area is equal or less than \$35,234. CDPH/DWR as part of the application review will determine the MHI for a water system.

The methodology and calculations for determining the cost impact of the loan should be shown on the Construction application. Add a separate page if necessary. CDPH will assume that project costs will affect residential and nonresidential water charges in a proportional manner to current costs. If this is not the case, please describe the reason for shifting the cost burden.

8. Discussion of Material Events

Identify any current, prior, or pending material events such as bankruptcy, defaults, litigation, grand jury findings, unscheduled draws on reserve funds, substitution of insurers or their failure to perform, unscheduled draws on credit enhancements, actions taken in anticipation of filing Chapter 9, rating changes, relevant conditions in material obligations, and any local debt limit.

9. Water Rate Study

Indicate whether a water rate study has ever been performed on your water system as well as the date of the study and subsequent findings. If you respond yes, please describe the finding and actions taken by the water system's governing body.

10. Projected monthly residential water bill for the next 3 years

Provide the total overall projected residential water bill for the next three years. Do not include the increase calculated in number 7 above. Include any ineligible project costs as well as non-project related water system costs that will be imposed on the residential users during the next 3 years. The methodology and calculations should be shown.

11. 5 Year revenue/expenditure projection

Attach a projected cost breakdown of the revenue and expenditure of the water system for the next five years (**Attachment F2**). See table below for example.

| EXPENSES AND SOURCE OF FUNDS | YEAR | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| EXPENSES | 2014 | 2015 | 2016 | 2017 | 2018 |
| Annual operation and maintenance expenses | | | | | |
| -salaries and benefit | \$100,000 | \$120,000 | \$150,000 | \$170,000 | \$190,000 |
| -repairs and maintenance | \$5,000 | \$6,000 | \$7,000 | \$8,000 | \$9,000 |
| TOTAL EXPENDITURES | \$105,000 | \$126,000 | \$157,000 | \$178,000 | \$199,000 |
| REVENUES | | | | | |
| SRF Loans | \$500,000 | | | | |
| Cash Revenues (Water rates) | \$120,000 | \$150,000 | \$190,000 | \$220,000 | \$250,000 |
| TOTAL REVENUES | \$620,000 | \$150,000 | \$190,000 | \$220,000 | \$250,000 |
| NET INCOME | \$515,000 | \$24,000 | \$33,000 | \$42,000 | \$51,000 |

12. Identify and describe the dedicated revenue source

Describe and give the actual name of the funding source that the applicant plans to use for loan repayment. DWSRF applicants are required to have a "dedicated" source of funds for loan repayment. Prior to execution of the funding agreement, the applicant must submit a resolution or ordinance adopted by the governing board establishing the dedicated fund source.

13. Security

Identify what the applicant proposes to use as security for a loan, for example, assessments, stock, or property. If security is in the form of real property, provide an estimate of the value, how the value was determined, and whether the property is already pledged as security for another loan.

ATTACHMENTS

F1- Water Rate Structure (3 years): See guidance in item 6 above.

F2 – Revenue/Expenditure Projection (5 years): See guidance in item 11 above.

F3 – Audited Financial Statements: Provide COMPLETE audited financial statements for the most recent three years. Submit via hardcopy, CD, email, or web link. Refer to the schedule below:

| Application Date | Required Financial Statements |
|--|---|
| January 1 st through June 30 th | Most recent three years, including last Fiscal Year. Example: Application on March 1, 2013, requires Financial Statements for Fiscal Years 2009/10; 2010/11; and 2011/12 |
| July 1 st through December 31 st | Most recent three years prior to current Fiscal Year. Example: Application on September 1, 2012, requires Financial Statements for Fiscal Years 2008/09; 2009/10; and 2010/11 |

Identify any restricted funds and the reason for the restrictions as well as all sources of security to be pledged. If using real property, provide at least two appraisals of the value, how the value was determined, and whether the property is currently pledged as security on any other debt.

F4 - Authorizing Resolution/Ordinance: This resolution or ordinance designates the Authorized Representative(s) for the project, who will have the authority to sign and submit the DWSRF application materials, certify compliance with applicable state and federal laws, execute the financial assistance agreement and amendments, and certify disbursement requests.

- ❖ To minimize the potential for problems, use the exact language in the template resolution.
- ❖ Enter the title of the Authorized Representative, NOT a person's name.
- ❖ Do not modify the words financing or financial assistance to other terms such as "loan", "grant", or "principal forgiveness". Use of these terms will create legal complications; the terms "financing" and "financial assistance" are broad enough to be applicable to all of the above.
- ❖ It is not necessary to specify the requested amount of financing. If you do specify an amount, to allow some flexibility, please specify the maximum anticipated amount of financing as follows: "Financial assistance shall not exceed \$_____."

F5 – Rate Adoption Resolution: This is your most recent water rate adoption resolution.

F6 – Pledged Revenues and Fund(s) Resolution: Federal law requires applicants to establish a dedicated source of revenue for repayment. Examples of PRF resolutions are located in Appendix G of the DWSRF Policy. A reserve fund may also be required.

F7 – Related Debt: Submit a schedule of all debt secured by the PRFs, along with a copy of each relevant debt document (if there are any pending debts, provide draft or estimated information). This schedule will be an exhibit to the DWSRF financing agreement and will rank related debt according to priority in relation to the proposed DWSRF debt (senior, parity, or subordinate). If the applicant has no other debt (except other DWSRF debt), the Authorized Representative must provide a letter stating this. In most cases, the DWSRF debt will be on priority with related debt.

F8 – Agreement for operation of the facility.

F9 – New Special Tax, Assessment district, or service charge projections

F10 – Relevant Service, Management, Operating, or Joint Powers Agreements: If applicable, provide a copy of any relevant, service, management, operating or joint powers agreements and any amendments (*No template exists*). Label the agreement as Attachment F10.

F11 – Future Capital Needs: The applicant should describe any capital improvement plans and the long-term indebtedness needed to fund its future capital improvements. The applicant must provide any formal CIP it has to the Division (*No template exists*). Label the agreement as Attachment F11.